

DATE FILED: April 17, 2014

CASE NUMBER: 2014CV31557

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<b>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO</b>  1437 Bannock Street Denver, CO 80202	<b>DATE FILED: April 16, 2014 1:44 PM</b>          <b>▲ COURT USE ONLY ▲</b>
<b>GERALD ROME, Acting Securities Commissioner for the State of Colorado,</b>  <b>Plaintiff,</b>  <b>v.</b>  <b>STEPHEN M. THOMPSON, JOSEPH E. FINATERI, and LELAND ENERGY, INC.</b>  <b>Defendants.</b>	
	<b>Case No.</b> <b>14CV31557</b>
<b>ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF</b>	

THIS MATTER is before the Court on the Stipulation for Order of Permanent Injunction and Other Relief (the "Stipulation") filed by the Plaintiff, Gerald Rome, Acting Securities Commissioner for the State of Colorado (the "Commissioner"), and Defendants Stephen M. Thompson ("Thompson"), Joseph E. Finateri ("Finateri"), and Leland Energy, Inc. ("Leland") (collectively, Thompson, Finateri, and Leland are referred to as the "Defendants").

By entering into this Stipulation, and solely for the purpose of all proceedings as brought in Colorado by the Commissioner, the Defendants admit that the investments issued by Leland are securities under the Colorado Securities Act (the "Act"), § 11-51-201(17), C.R.S. The Defendants have neither admitted nor denied that the remaining allegations, grounds, or claims of liability against

them contained in the Complaint for Injunctive and Other Relief (the "Complaint") are true, except as described in the Stipulation. Based on the Stipulation, and being duly advised in the premises, the Court hereby finds that the Stipulation provides for a fair, just, and expeditious resolution of the claims asserted by the Commissioner against the Defendants.

THEREFORE, IT IS HEREBY ORDERED as follows:

1. The Court has jurisdiction over the Defendants and the subject matter of this action. The Court so finds that based upon the admissions in the Stipulation, the investments issued by Leland are "securities" pursuant to section 11-51-201(17), C.R.S. solely for the purpose of this proceeding.

2. Thompson, Finateri, and Leland, their agents, servants, employees, and successors, as may be; any person who, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under the common control with the Defendants; and all those in active concert or participation with any of the Defendants, who receive actual notice of this Order by personal service or otherwise, are hereby immediately and permanently restrained and enjoined from engaging, directly or indirectly, in any of the following acts:

1) Offering to sell or selling any securities or investments in the State of Colorado, unless such securities or investments are registered pursuant to sections 11-51-301, 302, 303, or 304, C.R.S., or successor statutes, or exempt from registration pursuant to sections 11-51-307, 308, or 309, C.R.S., or successor statutes; or

2) Engaging in business in the State of Colorado as a securities broker-dealer, sales representative, investment adviser, or investment adviser representative, as may be, in violation of sections 11-51-401 and 402, C.R.S., or successor statutes; or

3) In connection with the offer, sale, or purchase of any security in the State of Colorado, directly or indirectly:

i) employing any device, scheme, or artifice to defraud; or

ii) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or

iii) engaging in any act, practice, or course of business which operates or would operate as a fraud and deceit upon any person;

in violation of section 11-51-501(1), C.R.S., or successor statute.

4) Engaging in conduct otherwise in violation of the Colorado Securities Act.

3. The Defendants shall comply with the provisions of the Stipulation attached hereto, and such Stipulation shall be incorporated into and made a part of this Order as if fully stated herein.

4. The Court shall retain jurisdiction over this action to ensure the Defendants' compliance with this Order and the Stipulation, and reserves the power to enter additional orders to effectuate and to ensure the Defendants' compliance with this Order and Stipulation.

5. In the event that Defendants Thompson and Leland fail to make payments in the full amount to the Commissioner on, or before, the dates agreed upon in compliance with the terms specified in the Stipulation, the Commissioner shall provide a notice of default to Defendants Thompson and Leland allowing them ten (10) days or other mutually agreed upon extension, whichever is greater, to cure the default. Failure to cure the default within this period shall be sufficient grounds for the Court to enter judgment, jointly and severally against Defendants Thompson and Leland – for \$793,476.74, less payments previously made, with interest to accrue at the statutory rate from the date of the entry of this judgment.

6. The Defendants' failure to comply with this Order or the Stipulation may constitute grounds for further sanctions against them, including the sanction of contempt.

DONE this 17 day of April, 2014.

BY THE COURT:

Herbert L. Stern  
Denver District Court Judge